

UINTAH COUNTY ATTORNEY'S OFFICE

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Deputy

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Victim Advocate

Jayson Chamberlain
Investigator

July 3, 2014

Paul Baker
Minerals Program Manager
Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801

Mr. Baker,

Thank you for the opportunity to continue working with Utah Division of Oil, Gas and Mining on Uintah County's Asphalt Mine Permit and reclamation efforts. As promised during our June 26, 2014 conference call, Uintah County presents two separate exhibits. Exhibit 1 is the cost estimates to reclaim the old mine site which is shown in Exhibit 2.

To provide some context to the documents provided, please note the land covered by the County's permit in Section 30 is owned, occupied and being enjoyed entirely by TSHII's equipment and infrastructure. Further, most of the area has been identified in TSHII's recently filed *Notice of Intent* as being needed for overburden, topsoil stock piles, product stock piles, mine sites, plant structures, existing infrastructure, etc. These facts make it impossible for Uintah County to reclaim basically any of the area identified by JBR in Figure 8 of TSHII's *Notice of Intent*, even if we had the obligation to do so. Also, because these areas are currently being used by TSHII and it is anticipated, based on prior conversations, that TSHII is actively seeking buyers for their land; TSHII should not enjoy a windfall of profits without also having the requirement to reclaim the full area being enjoyed by TSHII within Section 30. Now, irrespective of these facts, Uintah County sees some benefit in finally resolving this dispute so it is willing to pursue reclamation of the 7.7 acres identified in Exhibit 2 or, alternatively, work out a settlement with TSHII.

If we must proceed with reclamation, Uintah County desires to have it completed by August 31, 2014. Therefore, we will need to begin reclamation by August 15, 2014. This will give us a little extra time for inclement weather or unforeseen conditions on the property.

Of course, if we can work out another arrangement with Tar Sands Holdings II, LLC, we may be seeking to have the permit released as well as any

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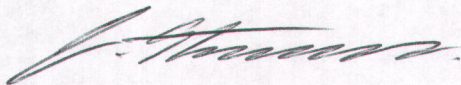
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DIV. OF OIL, GAS & MINING

reclamation attributed to the County. I am sending a separate letter to them to make an offer to settle this matter with them.

Please contact me at your earliest convenience so we can conclude this matter in a timely fashion.

Thank you,


A handwritten signature in dark ink, appearing to read "J. Stearmer", with a stylized flourish at the end.

Jonathan A. Stearmer
Chief Deputy Uintah County Attorney

Reclamation Cost

Area west of the "Bone Yard" comprising 7.7 acres

EMPLOYEE COSTS				Hours	Cost
Operator	\$	42.34	per hour	80	\$ 3,387.20
Laborer	\$	21.44	per hour	10	\$ 214.40
Employee Total				90	\$ 3,601.60
EQUIPMENT COSTS				Hours	Cost
CAT D8	\$	132.09	per hour	75	\$ 9,906.75
CAT D6	\$	64.13	per hour	5	\$ 320.65
Equipment Total				80	\$ 10,227.40
ADDITIONAL COSTS				Acres	Cost
Seeding	\$	900.00	per acre	7.7	\$ 6,930.00
Admin.	\$	250.00			\$ 250.00
					\$ 7,180.00
PROJECT TOTAL					\$ 21,009.00



Area to reclaim 7.7 acres

Historic Uintah County Pit 12.7 acres

275 ft

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